AUDIT COMMITTEE
AGENDA

DATE: April 30, 2025
LOCATION: City Hall 4th Floor Conference Room
TIME: 3:00 PM

I. CALL TO ORDER – Chairman

II. ANNOUNCE MEMBERS IN ATTENDANCE (VERIFY QUORUM)

III. ADOPTION OF MINUTES
   A. February 3, 2025 Audit Committee Meeting

IV. DEPARTMENT REPORT

V. NEW BUSINESS
   A. None

VI. COMMITTEE ACTION REQUIRED
   A. FY 2026 Budget Approval
   B. Review and Approval of Policy Manual Revisions

VII. CITY COUNCIL ACTION REQUIRED
   A. None

VIII. ADJOURNMENT OF PUBLIC MEETING

IX. PUBLIC COMMENTS (5 minutes each)

X. NEXT MEETING - **July 30, 2025 3:00 PM**

XI. EXECUTIVE SESSION – Vote by the Committee to go into executive session.

During executive session and for the remainder of the meeting, the Audit Committee will be discussing only matters that are considered confidential under TCA Section 9-3-405 (d). These items may include:

   A. Items deemed not subject to inspection under TCA Section 10-7-503 and 10-7-504
   B. Current or pending litigation and pending legal controversies
   C. Pending or ongoing audits or audit related investigations

D. Information protected by federal law
E. Matters involving information under TCA Section 9-3-406 where the informant has requested anonymity.

At this point in the meeting everyone other than Audit Committee members and those asked to attend by the Audit Committee to address an item related to the categories above will be asked to leave.

XII. ADJOURNMENT OF EXECUTIVE SESSION

UNAPPROVED

AUDIT COMMITTEE
MINUTES

DATE: February 3rd, 2025
LOCATION: CITY HALL FOURTH FLOOR CONFERENCE ROOM
TIME: 3:00 PM

I. CALL TO ORDER – Director of Internal Audit
The meeting was called to order by Stephanie Fox at 3:01 pm.

II. ANNOUNCE MEMBERS IN ATTENDANCE (VERIFY QUORUM)
Audit Committee members present: Elizabeth Rankin, Keri Lovato, Lynn Stokes, Patrick Wilkinson, Trey Judd
Audit Committee members absent: None
Quorum verified? Yes
Internal Audit attendees: Stephanie Fox, Jenn Osteen, Becca Darden, Emily Hammer, Don Morse
Other Attendees:
Mayor Joe Pitts
Laurie Matta, City of Clarksville Chief Financial Officer
Christen Wilcox, City of Clarksville Deputy Chief Financial Officer
Gina Wilbur, Controller, CDE Lightband
Erica Sager, Crosslin
JD Cage, Crosslin

III. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON

A. Chairperson - Be knowledgeable of Audit Committee functions and responsibilities, chair meetings, represent the Audit Committee before City Council or any other official body as necessary, correspond as necessary in regard to Audit Committee issues, prepare Director's annual performance evaluation, and coordinate with Human Resources to hire (or terminate) in regard to the Director's position.
B. Vice Chairperson - Be knowledgeable of Audit Committee functions and responsibilities, fill in for or provide assistance to the Chairperson related to any of the duties listed above.

Elizabeth Rankin made a motion to elect Trey Judd as Chairman and Patrick Wilkinson as Vice Chairman. Lynn Stokes seconded. The motion was approved unanimously.

UNAPPROVED

IV. FINANCIAL STATEMENT AUDIT PRESENTATION BY Crosslin

Crosslin presented the results of the FY 2024 financial and compliance audit for the City of Clarksville, Clarksville Gas & Water, and CDE Lightband.

V. ADOPTION OF MINUTES

A. October 30, 2024 Audit Committee Meeting

Elizabeth Rankin made a motion to adopt the minutes as presented. Patrick Wilkinson seconded. The motion was approved unanimously.

VI. DEPARTMENT REPORT

A. Budget Report
B. Update on Internal Audit Activity

Stephanie presented the budget report and an update on department activity.

VII. NEW BUSINESS

A. None

VIII. COMMITTEE ACTION REQUIRED

A. Crosslin Contract Renewal

The committee discussed the contract renewal. Patrick Wilkinson made a motion to approve the Crosslin Contract Renewal. Trey Judd seconded. The motion was approved unanimously.

B. Review and Approval of Policy Manual Revisions
   i. Annual Risk Assessment and Audit Plan Policy
   ii. Performing Advisory Services Policy
   iii. Communication Policy

Stephanie presented proposed revisions to the policies listed above. Patrick Wilkinson made a motion for approval of the proposed revisions. Lynn Stokes seconded. The motion was approved unanimously.

IX. CITY COUNCIL ACTION REQUIRED

A. None

X. ADJOURNMENT

Patrick Wilkinson made a motion to adjourn the public meeting and go into executive session. Lynn Stokes seconded. The public meeting was adjourned at 4:19 pm.

XI. PUBLIC COMMENT (5 minutes each)

XII. NEXT MEETING - **April 30, 2025 3:00 PM**

XIII. EXECUTIVE SESSION - Vote by the committee to go into executive session

During executive session and for the remainder of the meeting, the Audit Committee will be discussing only matters that are considered confidential under TCA Section 9-3-405 (d). These items may include:

A. Items deemed not subject to inspection under TCA Section 10-7-503 and 10-7-504
B. Current or pending litigation and pending legal controversies
C. Pending or ongoing audits or audit related investigations
D. Information protected by federal law
E. Matters involving information under TCA Section 9-3-406 where the informant has requested anonymity.

At this point in the meeting everyone other than Audit Committee members and those asked to attend by the Audit Committee to address an item related to the categories above will be asked to leave.

The following topics were discussed:

A. Ongoing audits and investigations
B. Hotline reports

XIV. ADJOURNMENT OF EXECUTIVE SESSION

The executive session was adjourned at 4:43 pm.

CITY OF CLARKSVILLE

YEAR-TO-DATE BUDGET REPORT

FOR 2025 13

ACCOUNTS FOR: 1100 General Fund		ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
10415211 Salaries and Wages-Inter.Audit								
10415211 4111	Full-Time Employe	332,599	-6,035	326,564	256,906.07	.00	69,657.93	78.7%
10415211 4112	Part-Time Employe	2,700	0	2,700	2,152.50	.00	547.50	79.7%
10415211 4113	Longevity Pay	450	0	450	450.00	.00	.00	100.0%
10415211 4211	Health Insurance	60,096	-2,504	57,592	50,080.00	.00	7,512.00	87.0%
10415211 4212	Dental Insurance	1,680	-93	1,587	1,380.00	.00	207.00	87.0%
10415211 4213	Life Insurance	212	-9	203	174.40	.00	28.60	85.9%
10415211 4214	Disability Insura	1,432	-37	1,395	1,093.64	.00	301.36	78.4%
10415211 4221	Social Security C	24,622	-620	24,002	18,873.36	.00	5,128.64	78.6%
10415211 4231	TCRS Contribution	41,737	-770	40,967	31,650.40	.00	9,316.60	77.3%
TOTAL Salaries and Wages-Inter.Audit		465,528	-10,068	455,460	362,760.37	.00	92,699.63	79.6%
10415213 Operating Expenditures-Int.Aud								
10415213 4321	Employee Training	14,635	0	14,635	7,351.86	.00	7,283.14	50.2%
10415213 4322	Memberships & Con	1,940	0	1,940	437.48	.00	1,502.52	22.6%
10415213 4323	Employee Testing	105	-2	103	102.53	.00	.47	99.5%
10415213 4324	Software License	0	322	322	321.17	.00	.83	99.7%
10415213 4325	Software Renewals	965	0	965	308.82	.00	656.18	32.0%
10415213 4334	Accounting/Auditi	92,000	-35,575	56,425	30,987.50	437.50	25,000.00	55.7%
10415213 4442	Rental of Equipme	120	-22	98	82.19	15.19	.62	99.4%
10415213 4521	Property Insuranc	335	-6	329	329.00	.00	.00	100.0%
10415213 4523	General Liability	665	-34	631	631.00	.00	.00	100.0%
10415213 4530	Communications	375	-54	321	294.52	.00	26.48	91.8%
10415213 4580	Travel	300	-200	100	.00	.00	100.00	.0%
10415213 4610	General Supplies	2,100	0	2,100	304.05	.00	1,795.95	14.5%
10415213 4640	Books & Periodica	2,100	0	2,100	941.69	.00	1,158.31	44.8%
TOTAL Operating Expenditures-Int.Aud		115,640	-35,571	80,069	42,091.81	452.69	37,524.50	53.1%
TOTAL General Fund		581,168	-45,639	535,529	404,852.18	452.69	130,224.13	75.7%
TOTAL EXPENSES		581,168	-45,639	535,529	404,852.18	452.69	130,224.13	

CITY OF CLARKSVILLE

YEAR-TO-DATE BUDGET REPORT

FOR 2025 13

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
GRAND TOTAL	581,168	-45,639	535,529	404,852.18	452.69	130,224.13	75.7%

** END OF REPORT - Generated by Hammer, Emily **

CITY OF CLARKSVILLE TENNESSEE

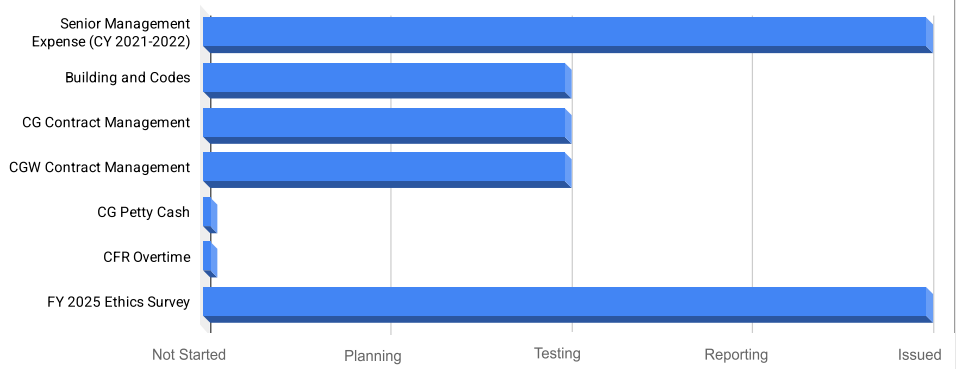
Internal Audit Department

Audit Committee Report

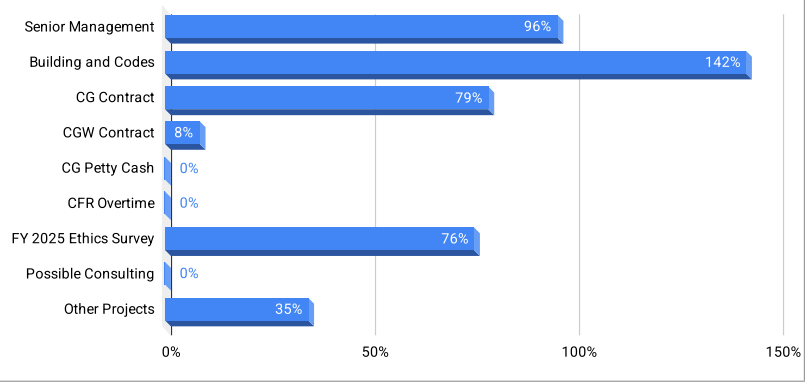
April 2025

Project Statistics

Project Status

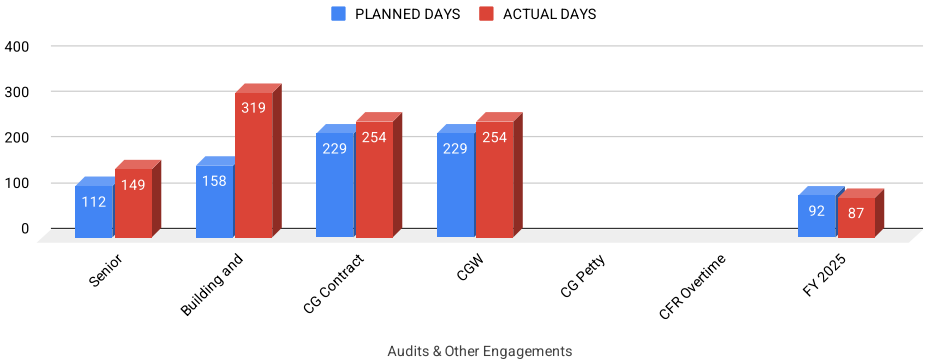


Budgeted Hours Used



	FY 2025 Actual Hours	Total Project Hours	Total Budgeted Hours
Senior Management Expense (CY 2021-2022)	120.00	384.00	400.00
Building and Codes	1,336.75	1,424.00	1,000.00
CG Contract Management	395.75	395.75	500.00
CGW Contract Management	41.25	41.25	500.00
CG Petty Cash	0.00	0.00	400.00
CFR Overtime	0.00	0.00	600.00
FY 2025 Ethics Survey	227.25	227.25	300.00

Engagement Duration



CITY OF CLARKSVILLE TENNESSEE

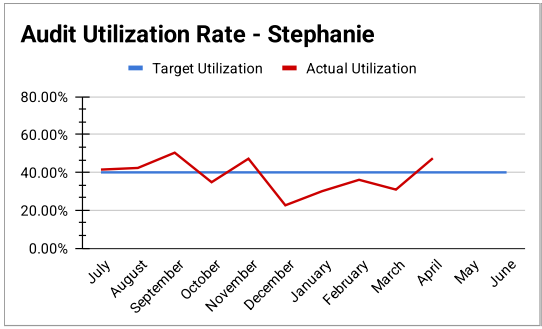
Internal Audit Department

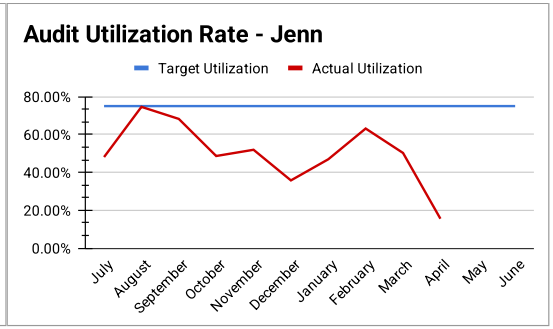
Audit Committee Report
April 2025

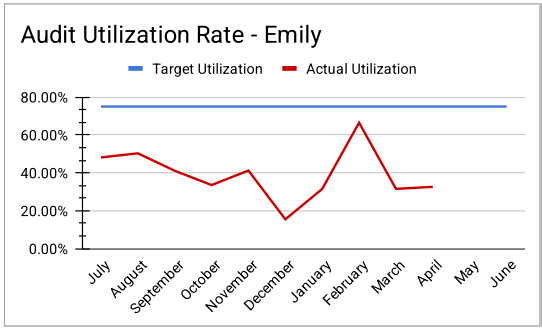
Hotline Statistics

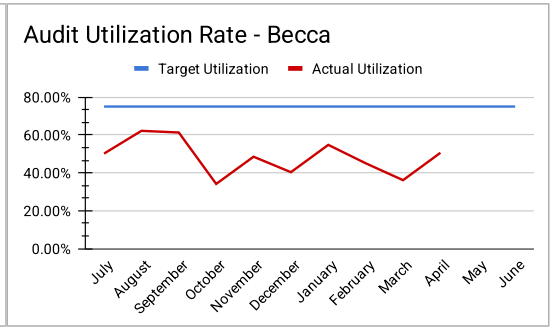
Report Status	Previously Reported	New Reports
Open		1
Closed	18	2
Total Reports for FY 2025	18	3

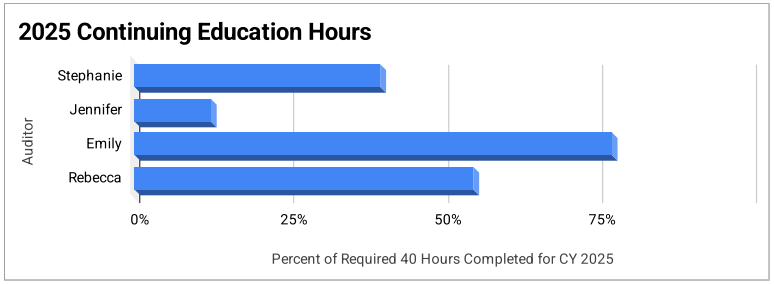
Staff Metrics











CITY OF CLARKSVILLE

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 2026 2026 City of Clarksville Budget FOR PERIOD 99

ACCOUNTS FOR: General Fund		2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 Finance	COMMENT
521	Internal Audit							
10415211	Salaries and Wages-Inter.Audit							
10415211 4111	Full-Time	251,773.35	332,599.00	326,564.00	256,906.07	.00	353,251.00	
10415211 4112	Part-Time	2,700.00	2,700.00	2,700.00	2,152.50	.00	2,700.00	
10415211 4113	Longevity	400.00	450.00	450.00	450.00	.00	500.00	
10415211 4211	Health	39,780.00	60,096.00	57,592.00	50,080.00	.00	66,192.00	
10415211 4212	Dental	1,173.00	1,680.00	1,587.00	1,380.00	.00	1,656.00	
10415211 4213	Life	148.24	212.00	203.00	174.40	.00	212.00	
10415211 4214	Disability	1,072.36	1,432.00	1,395.00	1,093.64	.00	1,519.00	
10415211 4221	Social Sec	18,493.12	24,622.00	24,002.00	18,873.36	.00	25,976.00	
10415211 4231	TCRS	30,730.85	41,737.00	40,967.00	31,650.40	.00	46,148.00	
10415211 4261	OJI	1,000.50	.00	.00	.00	.00	1,426.00	
TOTAL Salaries and Wages-Int		347,271.42	465,528.00	455,460.00	362,760.37	.00	499,580.00	
10415213	Operating Expenditures-Int.Aud							
10415213 4310	Off/Admin	3,282.67	.00	.00	.00	.00	.00	
10415213 4321	Training	11,211.60	14,635.00	14,635.00	7,351.86	.00	10,400.00	
10415213 4322	Memb/Conv	2,265.00	1,940.00	1,940.00	437.48	.00	2,325.00	
10415213 4323	Testing	362.12	105.00	103.00	102.53	.00	105.00	
10415213 4324	License	388.00	.00	322.00	321.17	.00	42,200.00	
10415213 4325	Soft/Renew	619.00	965.00	965.00	308.82	.00	1,078.00	
10415213 4334	Acct/Audit	72,050.00	92,000.00	56,425.00	31,425.00	.00	87,000.00	
10415213 4442	Equip Rent	85.91	120.00	98.00	97.38	.00	120.00	
10415213 4521	Property	291.00	335.00	329.00	329.00	.00	315.00	
10415213 4522	Auto Ins	363.00	.00	.00	.00	.00	584.00	
10415213 4523	Gen.Liab	2,300.00	665.00	631.00	631.00	.00	1,949.00	
10415213 4530	Commun.	253.74	375.00	321.00	294.52	.00	381.00	
10415213 4580	Travel	.00	300.00	100.00	.00	.00	100.00	
10415213 4610	Gen.Supp.	3,955.66	2,100.00	2,100.00	304.05	.00	2,000.00	
10415213 4640	Bks & Per.	518.40	2,100.00	2,100.00	941.69	.00	1,115.00	
10415213 4650	Other Equi	2,358.81	.00	.00	.00	.00	.00	
TOTAL Operating Expenditures		100,304.91	115,640.00	80,069.00	42,544.50	.00	149,672.00	
TOTAL Internal Audit		447,576.33	581,168.00	535,529.00	405,304.87	.00	649,252.00	
TOTAL General Fund		447,576.33	581,168.00	535,529.00	405,304.87	.00	649,252.00	
	TOTAL REVENUE	.00	.00	.00	.00	.00	.00	
	TOTAL EXPENSE	447,576.33	581,168.00	535,529.00	405,304.87	.00	649,252.00	
	GRAND TOTAL	447,576.33	581,168.00	535,529.00	405,304.87	.00	649,252.00	

** END OF REPORT - Generated by Fox, Stephanie **

CITY OF CLARKSVILLE

NEXT YEAR BUDGET DETAIL REPORT

PROJECTION: 2026 2026 City of Clarksville Budget

ACCOUNTS FOR:
General Fund

Account	Description	VENDOR	QUANTITY	UNIT COST	2026 Finance
521 Internal Audit					
10415211 Salaries and Wages-Inter.Audit					
10415211 4111 -					353,251.00 *
	INTERNAL AUDIT DIRECTOR (40274)		1.00	.00	123,713.00
	INTERNAL AUDITOR II (42092)		1.00	.00	87,687.00
	AUDITOR (43546)		1.00	.00	66,513.00
	INTERNAL AUDITOR II (43612)		1.00	.00	75,338.00
10415211 4112 -					2,700.00 *
			1.00	2,700.00	2,700.00
10415211 4113 -					500.00 *
	INTERNAL AUDIT DIRECTOR (40274)		.00	.00	500.00
10415211 4211 -					66,192.00 *
	PHARMACY PRE TAX		.00	.00	4,896.00
	HMO PRE TAX		.00	.00	10,572.00
	WELLNESS CLINIC		.00	.00	1,080.00
	PHARMACY PRE TAX		.00	.00	4,896.00
	HMO PRE TAX		.00	.00	10,572.00
	WELLNESS CLINIC		.00	.00	1,080.00
	PHARMACY PRE TAX		.00	.00	4,896.00
	HMO PRE TAX		.00	.00	10,572.00
	WELLNESS CLINIC		.00	.00	1,080.00
	PHARMACY PRE TAX		.00	.00	4,896.00
	HMO PRE TAX		.00	.00	10,572.00
	WELLNESS CLINIC		.00	.00	1,080.00
10415211 4212 -					1,656.00 *
	DENTAL - PRE TAX		.00	.00	414.00
	DENTAL - PRE TAX		.00	.00	414.00
	DENTAL - PRE TAX		.00	.00	414.00
	DENTAL - PRE TAX		.00	.00	414.00
10415211 4213 -					212.00 *
	EMPLOYER PAID LIFE INSURANCE		.00	.00	53.00
	EMPLOYER PAID LIFE INSURANCE		.00	.00	53.00
	EMPLOYER PAID LIFE INSURANCE		.00	.00	53.00
	EMPLOYER PAID LIFE INSURANCE		.00	.00	53.00

NEXT YEAR BUDGET DETAIL REPORT

PROJECTION: 2026 2026 City of Clarksville Budget

ACCOUNTS FOR: General Fund		VENDOR	QUANTITY	UNIT COST	2026 Finance
10415211 4214 -					1,519.00 *
	LONG TERM DISABILITY		.00	.00	532.00
	LONG TERM DISABILITY		.00	.00	377.00
	LONG TERM DISABILITY		.00	.00	286.00
	LONG TERM DISABILITY		.00	.00	324.00
10415211 4221 -					25,976.00 *
	FICA		.00	.00	7,072.00
	MEDICARE		.00	.00	1,654.00
	FICA		.00	.00	5,294.00
	MEDICARE		.00	.00	1,239.00
	FICA		.00	.00	3,948.00
	MEDICARE		.00	.00	924.00
	FICA		.00	.00	4,569.00
	MEDICARE		.00	.00	1,069.00
			1.00	207.00	207.00
10415211 4231 -					46,148.00 *
	TCRS		.00	.00	18,694.00
	TCRS		.00	.00	13,197.00
	TCRS CONT-REGULAR		.00	.00	6,685.00
	TCRS CONT-REGULAR		.00	.00	7,572.00
10415211 4261 -					1,426.00 *
			1.00	1,426.00	1,426.00
TOTAL Salaries and Wages-Inter.Audit					499,580.00
10415213 Operating Expenditures-Int.Aud					
10415213 4321 -					10,400.00 *
	CONTINUING PROFESSIONAL EDUCATION (CPE). CPE IS REQUIRED TO MAINTAIN APPLICABLE LICENSES/DESIGNATIONS AND ADHERE TO AUDITING STANDARDS.		1.00	3,250.00	3,250.00
	ASSOCIATION OF LOCAL GOVERNMENT AUDITORS (ALGA) CONFERENCE - LOCAL GOVT ACCT/AUDIT UPDATE CPE/TRAINING AND NETWORKING WITH OTHER L GOVERNMENT AUDITORS REDUCED 5% CW 4.17.25		4.00	1,162.50	4,650.00
	MIDDLE TENNESSEE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS - ANNUAL FRAUD CONFERENCE FRAUD DETECTION AND DETERRENCE CPE		1.00	500.00	500.00
	CERTIFIED PUBLIC ACCOUNTANT (CPA) EXAM FEES AND LICENSURE		1.00	2,000.00	2,000.00
	CERTIFIED FRAUD EXAMINER (CFE) EXAM FEES AND STUDY MATERIALS REDUCED 5% CW 4.17.25		.00	1,500.00	.00

NEXT YEAR BUDGET DETAIL REPORT

PROJECTION: 2026 2026 City of Clarksville Budget

ACCOUNTS FOR: General Fund		VENDOR	QUANTITY	UNIT COST	2026 Finance	
	CERTIFICATION IN RISK MANAGEMENT ASSURANCE (CRMA) APPLICATION AND EXAM FEES		.00	600.00	.00	
10415213 4322 -					2,325.00	*
	TENNESSEE SOCIETY OF CPAS (TSCPA)		1.00	350.00	350.00	
	AMERICAN INSTITUTE OF CPAS (AICPA)		1.00	370.00	370.00	
	TN STATE BOARD OF ACCOUNTANCY		1.00	110.00	110.00	
	ASSOCIATION OF LOCAL GOVERNMENT AUDITORS (ALGA) - GROUP MEMBERSHIP		1.00	320.00	320.00	
	INSTITUTE OF INTERNAL AUDITORS (IIA) GROUP MEMBERSHIP		1.00	760.00	760.00	
	MIDDLE TN ASSOCIATION OF CERTIFIED FRAUD EXAMINERS		4.00	50.00	200.00	
	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS (ACFE)		1.00	215.00	215.00	
10415213 4323 -					105.00	*
	PRE-EMPLOYMENT TESTING FOR INTERN		1.00	105.00	105.00	
10415213 4324 -					42,200.00	*
	MICROSOFT OFFICE LICENSES FOR REPLACEMENT COMPUTERS		2.00	350.00	700.00	
	AUDIT MANAGEMENT SOFTWARE IMPROVES ENGAGMENT MANAGEMENT AND REQUIR WORKPAPER DOCUMENTATION/RETENTION		1.00	41,500.00	41,500.00	
10415213 4325 -					1,078.00	*
	ARBUTUS DATA ANALYTICS SOFTWARE		1.00	678.00	678.00	
	ADOBE ACROBAT - ANNUAL SUBSCRIPTIONS		4.00	100.00	400.00	
10415213 4334 -					87,000.00	*
	CITY GENERAL FINANCIAL & COMPLIANCE AUDIT - FY 2025 AUDIT		1.00	57,000.00	57,000.00	
	CITY GENERAL FINANCIAL & COMPLIANCE AUDIT - FY 2026 INTERIM AUDIT WORK		1.00	15,000.00	15,000.00	
	PLANNED IT ASSESSMENT		1.00	15,000.00	15,000.00	
10415213 4442 -					120.00	*
	ALLOCATED PORTION COOLER RENTAL		1.00	120.00	120.00	

NEXT YEAR BUDGET DETAIL REPORT

PROJECTION: 2026 2026 City of Clarksville Budget

ACCOUNTS FOR: General Fund		VENDOR	QUANTITY	UNIT COST	2026 Finance
10415213 4521 -					315.00 *
	PROPERTY INSURANCE - PREMIUM ALLOCATION		1.00	315.00	315.00
10415213 4522 -					584.00 *
	AUTOMOBILE INSURANCE - INTERNAL SERVICE FUND ALLOCATION		1.00	584.00	584.00
10415213 4523 -					1,949.00 *
	GENERAL LIABILITY INSURANCE - PREMIUM ALLOCATION		1.00	714.00	714.00
	GENERAL LIABILITY INSURANCE - INTERNAL SERVICE FUND ALLOCATION		1.00	1,235.00	1,235.00
10415213 4530 -					381.00 *
	ALLOCATION PER I.T.		1.00	381.00	381.00
10415213 4580 -					100.00 *
	LOCAL TRAVEL - MILEAGE		1.00	100.00	100.00
10415213 4610 -					2,000.00 *
	GENERAL SUPPLIES		1.00	1,500.00	1,500.00
	OTHER EQUIPMENT		1.00	500.00	500.00
10415213 4640 -					1,115.00 *
	RESOURCE MATERIALS		1.00	400.00	400.00
	KNOWLEDGELEADER SUBSCRIPTION		1.00	715.00	715.00
	AUDIT PROGRAMS, CHECKLISTS, TOOLS, RESOU BEST PRACTICES				
TOTAL Operating Expenditures-Int.Aud					149,672.00
TOTAL Internal Audit					649,252.00
TOTAL General Fund					649,252.00
	TOTAL REVENUE				.00
	TOTAL EXPENSE				649,252.00
	GRAND TOTAL				649,252.00

** END OF REPORT - Generated by Fox, Stephanie **

City of Clarksville
Internal Audit Manual

Policy Number	00	Review Cycle	Annual
Subject	Charter		

Audit Committee

Purpose

The Audit Committee of the City of Clarksville is established in Article VI Section 5 of the City of Clarksville Charter (the City Charter) and Clarksville City Code (City Code) Section 6-603 to provide an independent review and oversight of the City's financial reporting processes and the City's internal controls. The Audit Committee also reviews the external auditors' reports and follows up on management's corrective action and compliance with laws, regulations, and ethics. Additionally, the Audit Committee ~~also~~ provides oversight of the Internal Audit Department's independent appraisal function.

Authority and Responsibilities

To establish, maintain, and assure that the City of Clarksville's Internal Audit Department has sufficient authority to fulfill its duties, the Audit Committee will:

- Discuss the Internal Audit Mandate with the Director, including the appropriate authority, role, and responsibilities of Internal Audit.
- Discuss and approve the Internal Audit Department's charter annually.
- Champion the department to enable it to fulfill the purpose of internal auditing and pursue its strategy and objectives.
- Assess the effectiveness and efficiency of the Internal Audit Department.
- Approve the risk-based internal audit plan as described in City Code Section 6-615(a).
- Guide and direct the Director of Internal Audit.
- Approve the Internal Audit Department's budget and resource plan, subject to approval of the overall budget of the City approved by the City Council.
- Receive communications from the Director of Internal Audit on the Internal Audit Department's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Director of Internal Audit as described in the City Charter and City Code Section 6-614(f).
- Review and evaluate the performance of the Director of Internal Audit in accordance with the City Charter and City Code Section 6-614(e).
- Fix the compensation of the Director of Internal Audit within the amount appropriated therefore by the City Council as described in the City Charter.

- Make appropriate inquiries of management and the Director of Internal Audit to determine whether there are inappropriate scope or resource limitations.
- Review and select, pursuant to state law of general application, the external auditors required by the City, to include all City departments and activities, and blended component units, for financial, performance, internal, or other special audits per City Code Section 6-609. The awarding of all external audit contracts shall be at the discretion of the Audit Committee, except that discretely presented component units may select their own external auditor. No member of the Audit Committee shall be a member of any audit firm that is awarded an audit engagement.
- Review the external auditors' reports and follow up on management's corrective action and compliance with laws, regulations, and ethics in accordance with City Code Section 6-603.
- Adhere to all remaining City Code sections pertaining to the Clarksville Audit Committee not specifically listed within this Charter.

The Audit Committee expects that management will provide support for the Internal Audit Department, including meeting applicable essential conditions established in the Standards.

Internal Audit Department

Purpose and Mission

In accordance with the City of Clarksville's City Code (City Code) Section 6-602, the purpose of the Internal Audit Department is to assist all levels of management of the City and its component units in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed by Internal Audit and promoting effective control at a reasonable cost. In addition to the purpose as defined in City Code, Internal Audit adheres to the purpose statement in Domain I of the Global Internal Audit Standards.

In support of the established purpose, the department's mission statement is to ensure public trust and promote transparency, accountability, efficiency, and continuous improvement throughout City government.

To fulfill this purpose and mission, the department will provide audit and advisory services related to City operations to management and those charged with governance. These services will be provided in an objective and independent manner. Services may address areas of internal controls, operational efficiency and effectiveness, compliance with laws and regulations, or financial integrity.

The department provides a risk based, systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes throughout the City. This approach helps the City accomplish its objectives and fulfill its responsibility to citizens and the resources they have entrusted to the City.

International Professional Practices Framework and Global Internal Audit Standards

As required by City Code Section 6-610, the City of Clarksville Internal Audit Department will govern itself by adhereingnce to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), including the Global Internal Audit Standards (the Standards). In addition, Internal Audit will adhere to the policies and procedures contained in the Internal Audit Department's manual, as approved by the Audit Committee.

Mandate

Authority

The City of Clarksville Charter Article VI (the City Charter) establishes the existence of a Department of Internal Audit as an independent agency of the City of Clarksville government, which shall be headed by a Director of Internal Audit. The Director of Internal Audit shall be a certified public accountant as defined inmeeting the requirements of City Code Section 6-614(b), and will report functionally and administratively to the City Audit Committee (Audit Committee) as required by the Charter.

Additionally, both the City Charter, Article VI Section 5(e) and the City Code Section 6-611 state that authority is granted for full, free, and unrestricted access to any and all of the City's records, physical properties, and personnel relevant to any function under review. Internal Audit's authority shall extend to all City departments, component units, and any other organization or individual that receives City funds. All employees shall assist Internal Audit in fulfilling their staff function. Internal Audit shall also have free and unrestricted access to the Mayor and the City Council.

The Director of Internal Audit will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including in meetings without management present in accordance with TCA 9-3-405(d).

The Audit Committee also authorizes the Internal Audit Department to allocate resources, set frequencies, select subjects, determine scopes of work, apply audit techniques required to accomplish audit objectives, and issue reports.

Further, the Audit Committee authorizes the department to obtain assistance or specialized services from within or outside the City of Clarksville where required to complete engagements. This is subject to budgetary constraints.

Roles

The City Charter and City Code direct the department to conduct financial, performance, and other audit functions and services determined by the Audit Committee. The Director has no roles or responsibilities outside of the Internal Audit Department.

Responsibilities

As noted in the purpose section of this charter, the department has a responsibility to assist all levels of management of the City and its component units in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed by the department and promoting effective control at reasonable cost.

The Internal Audit Department fulfills this purpose by providing an array of audit and advisory services for City departments, as well as administering the City's fraud hotline. Further details on the services provided can be found in the Scope of Work section of this charter.

Independence and Organizational Position

Both the Director of Internal Audit and the Internal Audit Department are structured within the City to ensure independence. The City Charter and City Code both support this independence by establishing that the Director reports both functionally and administratively to the Audit Committee, rather than the Mayor or City Council. The City Charter and City Code also outline the responsibilities of the Audit Committee to support those reporting relationships.

Further, City Code Section 6-612 states that all audit activities shall remain free of influence by any element in the organization, including matters of audit scope, procedures, frequency, timing, or report content to permit maintenance of an independent mental attitude necessary in rendering objective reports. Internal auditors shall have no direct operational responsibility or authority over any of the activities they review. Additionally, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity that would normally be audited.

Independence and objectivity in performing internal audit services are the responsibility of every auditor. Auditors must recognize actual, potential, or perceived impairments to independence or objectivity, and immediately bring those to the Director to be addressed.

The Director of Internal Audit will confirm to the Audit Committee, at least annually, the organizational independence of the Internal Audit Department.

The Director of Internal Audit will disclose to the Audit Committee any potential impairments to independence, including interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Work

As stated in the City Code Section 6-613, the scope of Internal Audit encompasses (but is not limited to) the examination and evaluation of the adequacy and effectiveness of the City's system of internal control structure and the quality of performance in carrying out assigned responsibilities to achieve the City's stated goals and objectives. These activities, known as assurance or audit services, provide independent assessments to the Audit Committee, the Mayor, the City Council, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the City of Clarksville. Internal Audit assessments include:

- Evaluating whether risks relating to the achievement of the City of Clarksville's strategic

objectives are appropriately identified and managed
- Evaluating whether the actions of the City of Clarkville's governing body, directors, employees, and contractors are in compliance with the City of Clarksville's policies, procedures, and applicable laws, regulations, and governance standards
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned
- Reviewing and appraising the economy and efficiency with which resources are employed
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations, which could have a significant impact on operations and reports, and whether the organization is in compliance
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information
- Evaluating whether resources and assets are acquired economically, used efficiently, protected adequately, and, as appropriate, verifying the existence of such assets
- Reviewing specific operations at the request of the Audit Committee, Mayor, or Chief Financial Officer (also referenced as Director of Finance and Revenue), as appropriate
- Reviewing or investigating matters at the request of the Tennessee Comptroller of the Treasury
- Reviewing the quality of performance of the external auditors and the degree of coordination with Internal Audit

Director

The Director of Internal Audit is established in the City Charter Article VI, Section 5. This section mandates that the Director shall be appointed by the Mayor upon nomination by the Audit Committee, subject to confirmation by the City Council. It further specifies that the Director shall possess at least one certification indicating proficiency in auditing or governmental financial management, and lists acceptable types of experience and knowledge.

City Code Section 6-614 refines these requirements and specifies that the Director shall be a Certified Public Accountant.

These requirements help ensure that the Director has the appropriate qualifications and knowledge to carry out the Internal Audit mandate. Human resources maintains a job description with more specific requirements.

The Director will maintain and enhance qualifications and competencies necessary to fulfill roles and responsibilities expected by the Audit Committee.

The Director of Internal Audit has the responsibility to:
- Develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the City.
- Review the strategy with the Audit Committee and senior management periodically.

- Establish and evaluate methodologies to guide the department in a systematic and disciplined manner to implement internal audit strategy, develop the internal audit plan, and conform to the Standards.
- Submit, at least annually, to the Audit Committee a risk-based internal audit plan for review and approval, and communicate the approved plan to senior management.
- Communicate to senior management and the Audit Committee the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan in response to changes in the City of Clarksville's risks, operations, programs, systems, and controls.
- Communicate to senior management and the Audit Committee any significant interim changes to the internal audit plan.
- Communicate any changes that potentially affect the mandate or department charter.
- Submit an annual report to the City Council at the end of each fiscal year disclosing all completed audits and investigations.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Distribute the final engagement communication to appropriate parties. The Director of Internal Audit is the only person who has the authority to issue an audit report.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Audit Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Internal Audit Department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit Charter.
- Ensure trends and emerging issues that could impact the City of Clarksville are considered and communicated to senior management and the Audit Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Audit Department.
- Ensure adherence to the City of Clarksville's Charter, Code, and relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit Charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Audit Committee.
- Ensure conformance of the Internal Audit Department with the Global Internal Audit Standards, unless the Internal Audit department is prohibited by law or regulation from conformance with certain parts of the Standards. The Director of Internal Audit will ensure appropriate disclosures are made to senior management and the Audit Committee and will ensure conformance with all other parts of the Standards.

- Establish a process by which employees, taxpayers, or other citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity in accordance with City Code Section 6-617.

Approval/Acknowledgement

Director of Internal Audit Date

Audit Committee Chair Date

Mayor of the City of Clarksville Date

City of Clarksville
Internal Audit Manual

Policy Number	01	Review Cycle	Annual
Subject	Ethics and Professionalism		

Purpose
To define the methodologies employed by the Internal Audit Department to demonstrate ethics and professionalism in all activities. This policy demonstrates conformance with Domain II: Ethics and Professionalism within the Global Internal Audit Standards.

Definitions
Competency - Knowledge, skills, and abilities

Independence - Freedom from conditions that may impair the ability of the internal audit function to carry out internal audit responsibilities in an unbiased manner

Objectivity - Unbiased mental attitude that allows internal auditors to make professional judgments, fulfill their responsibilities, and achieve the purpose of internal auditing

Policy
Internal Audit Department policy is to conduct themselves and their work with ethics and professionalism. In addition to providing appropriate training and continuing education, the department ensures that auditors behave ethically and professionally by properly supervising engagements, mentoring, and feedback in performance reviews. Annually, all staff are required to review the department's policies and acknowledge that they understand and agree to adhere to these policies.

Procedure

Integrity

Honesty and Professional Courage

It is essential that all auditors perform their work with honesty and professional courage, in accordance with all aspects of Standard 1.1. The standard outlines several principles that exemplify professional courage and honesty, including:

- Being truthful, accurate, clear, open, and respectful in all professional relationships and communications, including those where the auditor is expressing skepticism or an opposing viewpoint
- Not making false, misleading, or deceptive statements, nor concealing or omitting findings or other pertinent information from communications

- Disclosing all material facts known that, if not disclosed, could affect the City's ability to make well-informed decisions
- Communicating truthfully and taking appropriate actions, even when confronted by difficult situations

The department supports all auditors in giving legitimate, evidence-based engagement results, whether they are favorable or unfavorable.

The department ~~We~~ supports performing work with honesty and professional courage not only through providing ethics related training and continuing education, but also through proper engagement supervision, mentoring, and performance reviews.

Ethical Expectations

The City has adopted a Code of Ethics that all auditors must be familiar with and abide by. In accordance with City policy, all auditors will receive training specific to the City's Code of Ethics. If auditors identify behavior that is contrary to the City's ethical expectations, that behavior will be reported to appropriate parties.

The department will encourage ethical behavior within the City by conducting ethics specific engagements, like the annual ethics survey, and providing assessments of ethics related risks and controls in individual engagements, where appropriate.

In addition to adhering to the City's ethical expectations, the Standards require auditors to understand and abide by applicable laws and regulations. Further, the Standards specify that auditors should/will not engage in or be party to any activity that is illegal or discreditable to the City or the profession. This includes any activity that may harm the City or City employees.

If auditors identify legal or regulatory violations, the auditor should immediately report this to the Director so that violations can be reported to appropriate parties. As legal requirements for reporting violations may vary widely, these are handled based on the specific circumstances of the situation.

~~Adhering to the ethical and legal expectations described above is supported by a~~ppropriate training and continuing education, as well as proper engagement supervision, mentoring, and feedback in performance reviews support ~~in~~ adhering to the ethical and legal expectations described above.

Independence and Objectivity

City Code Section 6-612 states that all audit activities shall remain free of influence by any element in the organization, including matters of audit scope, procedures, frequency, timing, or report content to permit maintenance of an independent mental attitude necessary in rendering objective reports. Internal auditors shall have no direct operational responsibility or authority over any of the activities they review. Further, internal audit activities are not considered to be part of the internal control structure of any other department.

The Director of Internal Audit will ensure that the Internal Audit Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner.

~~The Director of Internal Audit will ensure that the Internal Audit Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner. If the Director of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment along with the actions taken will be disclosed to appropriate parties.~~ ¶

~~Should an impairment to independence and objectivity be identified after completion of an engagement, the Director will discuss the concern with management and the Audit Committee to determine an appropriate resolution.~~

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year
- Performing any operational duties for the City of Clarksville or related entities
- Initiating or approving transactions external to the Internal Audit Department
- Directing the activities of any City of Clarksville employee not employed by the Internal Audit Department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors

The Internal Audit Department may perform audits where it had previously performed advisory services, provided the nature of the advisory did not impair objectivity and provided individual objectivity is managed when assigning resources to the engagement.

Internal auditors will:

- Timely disclose any impairment of independence or objectivity, in fact or appearance, to the Director and other appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Avoid conflicts of interest and take necessary precautions to avoid being unduly influenced by their own interests or by the interest of others in forming judgments.
- Not accept any tangible or intangible item that may impair or be presumed to impair independence.

To ensure we identify and effectively manage impairments, the department will evaluate auditor objectivity on an annual basis, as well as on an engagement basis.

Annually, each auditor will complete an independence and objectivity form and disclose any potential or known impairments. This annual disclosure will help the Director to appropriately assign engagements and manage resources. ~~As noted above, auditors will notify the Director of any changes to independence or objectivity in a timely manner.~~

Independence and objectivity is also discussed by the audit team at the beginning of each engagement to ensure that we effectively manage any potential impairments.

As noted above, auditors will notify the Director of any changes to independence or objectivity in a timely manner. If the Director determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment along with the actions taken will be disclosed to appropriate parties. Depending on the nature and severity of the potential impairment, the Director may discuss appropriate actions to resolve the situation with management and/or the Audit Committee as appropriate.

Should an impairment which affects reliability or perceived liability of an engagement be identified after completion of the engagement, the Director will discuss the concern with management and the Audit Committee to determine an appropriate resolution.

The Director of Internal Audit will confirm to the Audit Committee, at least annually, the organizational independence of the Internal Audit Department. If objectivity of the Director is impaired in fact or appearance, this will be disclosed to the Audit Committee.

The Director of Internal Audit will disclose to the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Competency

Internal auditors must possess and continually develop the proficiency and competency to perform their responsibilities successfully. This includes thorough knowledge of the Standards. Further, auditors should only engage in services for which they have the necessary competencies.

A departmental goal is to continually develop auditor competencies and skills by providing appropriate training, mentoring and supervision in alignment with policy 08, and opportunities to expand competency. In support of this goal, we have developed the following requirements for continuing professional education. Auditors are also required to track and adhere to requirements of any certifications or professional designations they may hold.

The Internal Audit staff is required to complete 40 hours of continuing professional education (CPE) annually. The topics should be related to auditing, accounting, general government operations (any service provided by the government), information technology, fraud, or any other topic as approved by the Director. The department can utilize the network of various organizations, including the Institute of Internal Auditors (IIA), the Association of Local Government Auditors (ALGA), etc to obtain knowledge, skills, and competencies. Each year the Internal Audit Department budget will include funding for training, pending approval of the City Council.

Of the 40 annual hours of required CPE, at least 2 of those hours must be in the field of ethics and 1 hour must be in the field of information technology.

Auditors will maintain a CPE log in the Internal Audit shared drive. CPE certificates will also be stored as evidence of CPE completion.

Auditors will also maintain a professional profile to demonstrate competency, which should include education, certifications, and memberships/involvement in professional organizations or associations (including board or volunteer positions).

Knowledge, skills, and competencies are evaluated at various times throughout the year, including during development of the audit plan and at the beginning of each engagement.

The Director performs an assessment of knowledge, skills, and competency during the risk assessment and audit plan development process. This helps the Director ensure the department has sufficient competency to perform planned engagements, and assists with assigning appropriate resources for each engagement.

Additionally, knowledge, skills, and competencies of the audit team are assessed at the beginning of each engagement to ensure they are appropriate and sufficient.

Due Professional Care

The department will plan and perform internal audit services in accordance with the Global Internal Audit Standards. The methodologies established in this manual are written specifically for alignment and conformance.

The department must also adhere to the City Charter and City Code, as well as applicable sections of Tennessee Code Annotated.

In accordance with City Code Section 6-610, all audit reports will include a conformance statement. If there are circumstances where the department is unable to conform with a requirement in the Standards, the Director will document and communicate the circumstance, alternative actions taken, the impact of those actions, and the rationale.

The department will perform all work with due professional care, applying the expected care and skill of a reasonably prudent person and competent internal auditor. Notably, this standard of due professional care does not imply infallibility.

Policies and procedures of the department, as well as our standard template workpapers, are designed specifically to adhere to the standards, including due professional care standards. The department's ~~Our~~ planning and testing workpapers consider the following items from standard 4.2:

- The organization's strategy and objectives

- The interests of those for whom internal audit services are provided and the interests of other stakeholders
- Adequacy and effectiveness of governance, risk management, and control processes
- Cost relative to potential benefits of the internal audit services to be performed
- Extent and timeliness of work needed to achieve engagement objectives
- Relative complexity, materiality, or significance of risks to the activity under review
- Probability of significant errors, fraud, noncompliance, and other risks that might affect objectives, operations, or resources
- Use of appropriate techniques, tools, and technology

In addition to designing the~~our~~ process for adherence to the Standards, Internal Audit staff will sign an annual acknowledgement to comply~~adhere~~ with~~to~~ the Standards and the department's policies and procedures.

The department's quality assurance and improvement program and methodology for engagement supervision assist in ensuring compliance with the Standards and department policies, further evidencing due professional care.

Skepticism
All Internal Audit staff will exercise professional skepticism in all engagements, and make objective judgments based on facts.

To exercise professional skepticism, all auditors must:
- Maintain an attitude that includes inquisitiveness
- Critically assess the reliability of information
- Be straightforward and honest when raising concerns and asking questions about inconsistencies
- Seek additional evidence to make a judgment about information and statements that might be incomplete, inconsistent, false, or misleading

Engagement supervision and feedback during each engagement help ensure that professional skepticism is practiced by all auditors.

Confidentiality

Use of Information
The City Charter and City Code provide Internal Audit with full, unrestricted access to any and all City records, properties, and personnel relevant to any function under review. This authority allows access to all information that would otherwise be considered a public record in the State of Tennessee, but also allows access to information that is confidential and not subject to public disclosure. Therefore, it is essential ~~that~~ Internal Audit~~we~~ establish expectations and processes to ensure information accessed is both protected and used appropriately.

The department will adhere to all relevant policies, procedures, laws, and regulations when accessing and using information. A variety of these may apply, including internal City policies, as well as sections of Tennessee Code Annotated.

In accordance with City Code Section 1-606, information accessed may not be used for personal purposes or in any manner detrimental to the City or department.

Safeguarding Information
All information and documents, whether physical or electronic, are to be safeguarded in accordance with department and City policies. Auditors must be aware and demonstrate their responsibilities and respect for protecting information.

This is especially true for information that is not a public record, including information that is personal in nature. Any documents that contain social security numbers, protected health information, or personally identifiable information should be kept in a secure location or appropriately electronically safeguarded.

To ensure security of electronic information, computer passwords should not be shared and computers should be locked when an auditor is away from their desk.

When no staff members are present in the office for an extended period of time, the door to the department should be closed. Auditors should maintain the security of their assigned keys.

Physical documents within the department should be properly stored during auditor absences such as lunch, outside meetings, overnight, and weekends.

All information that is no longer needed will be disposed of in accordance with applicable City policies.

Workpaper Confidentiality and Retention
Until the final audit report is issued, audit documentation and audit findings are subject to change. Therefore, audit related materials should not be released to anyone without the express approval of the Director to ensure there is a legal or professional responsibility to do so.

Audit work in progress is confidential and staff should not discuss audit work with others outside the Internal Audit Department except with appropriate individuals.

All audit reports are considered a public record, and barring certain provisions described in policy 07, there are no restrictions on the release of those reports. However, the workpapers of local government internal audit activities are considered confidential and not open to public inspection per TCA 10-7-504. Workpapers are retained for 10 years from the issuance date of the associated report.

Policy Revision History

Revision Date	April 25, 2025	**Revision Approval**	TBD
Initial Date	October 25, 2024	**Initial Approval**	October 30, 2024

City of Clarksville
Internal Audit Manual

Policy Number	02	Review Cycle	Annual
Subject	Quality Assurance and Improvement Program		

Purpose
To define the department's quality assurance and improvement program as required by Global Internal Audit Standards (Standards). This policy demonstrates compliance with standards 8.3, 8.4, 12.1, 12.2, and 12.3.

Definitions
Quality assurance and improvement program - A program established by the chief audit executive to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards, achieves performance objectives, and pursues continuous improvement. The program includes internal and external assessments.

Stakeholder - A party with a direct or indirect interest in an organization's activities and outcomes. Stakeholders may include board, management, employees, customers, vendors, shareholders, regulatory agencies, financial institutions, external auditors, the public, and others.

Policy
It is the responsibility of the Director to develop and maintain the quality assurance and improvement program (QAIP) to adhere to requirements in the Standards. The QAIP includes both internal and external assessments, the results of which will be communicated to the Audit Committee as required. (8.3) The QAIP is intended to assess the adequacy of the department's conformance with the Standards, the City's Code of Ethics, and the department's charter and policies.

Procedure
External Assessments
An external assessment (peer review) shall be performed once every 5 years by an independent, qualified assessment team, which must include at least one active Certified Internal Auditor. In this assessment, the peer review team will assess the adequacy of the department's QAIP, as well as conformance with the Standards.

Completion of an external assessment is contingent upon approval of funding for the review through the budget process. If in any case funding is not approved for a peer review and the

external assessment is not performed within the 5 year time frame, audit reports will include appropriate disclosure until such time as the external review is completed.

Results of each peer review will be communicated to the Audit Committee and senior management at the next regularly scheduled Audit Committee meeting. This communication will include:

- Scope and frequency of the peer review
- Competencies and independence of the assessment team
- Complete results of the assessment
- Action plans to address deficiencies and opportunities for improvement, where applicable, along with timelines for completion

Action plans must be approved by the Audit Committee and agreed to by the Mayor.
The final results letter will also be posted to the Internal Audit website.

Internal Assessments

Periodic Self Assessments

A periodic self assessment (annual quality review) will be conducted annually by the Director or their designee. This assessment will mimic an external assessment by using peer review resources from the Association of Local Government Auditors as guiding documents.

The objective of this self assessment is to evaluate the following:

- Adequacy of the department's policies and procedures (methodologies)
- How well the department supports achievement of the City's objectives
- Quality of internal audit services performed and supervision provided
- Degree to which stakeholder expectations are met and performance objectives are achieved
- Conformance with the standards

In order to accomplish these objectives, the scope of this assessment includes a review of the following:

- Department policies and procedures
- Engagement documentation for a sample of engagements completed during the review period
- Continuing professional education documentation from the most recent complete calendar year
- Data for performance measures established in the Performance Measurement section of this policy (12.2)

If~~Should~~ this assessment identifies~~y~~ any deficiencies or opportunities for improvement, the Director will develop action plans to resolve those deficiencies, along with associated timelines for implementation to correct those deficiencies.

If nonconformance with the Standards affects the overall scope of operation of the department, the Director will disclose the nonconformance and related impact to the Audit Committee and senior management.

Results of the annual quality review will be communicated to the Audit Committee and senior management directly, and posted to the Internal Audit website. A summary of results will also be included in the annual report issued to the Mayor, City Council, and Audit Committee.

Results will also be provided for use during the department's external assessment.

Ongoing Monitoring
Ongoing monitoring is performed throughout the year and includes multiple components.

Supervision:
Each engagement is supervised from planning to communication of results by the Director (or their designee). This allows the Director to provide timely feedback to auditors, and ensures that all components of the engagement conform to the Standards. Further details about engagement supervision can be found in policy 08.

Templates:
Auditors use standard workpaper templates for planning, test work, and reporting in each engagement. Each template is designed to incorporate applicable standards to ensure conformance. These workpaper templates are updated from time to time as process changes occur or as process efficiencies are identified and implemented.

Engagement Level Quality Review:
An engagement level quality review is performed at the end of each engagement to ensure conformance with the Standards and evidence of proper supervision. When possible, this is performed by an auditor who has had no involvement in the engagement. However, the Director may also perform this review.

Engagement Debrief:
At the end of each engagement, the audit team conducts several discussions to identify potential deficiencies or opportunities for improvement. These include a discussion of resources used to complete the engagement, a discussion of engagement results (to include quality assurance results and impact on future engagements), and an evaluation of the engagement with a focus on refining and improving processes.

Performance Measurement:
To fulfill the Internal Audit mandate, it is essential that we monitor performance and progress. The Director must establish objectives and associated measurements to evaluate performance. These objectives will consider input and expectations of the Audit Committee and senior management.

The Director will review established performance objectives and measures annually, and present them to the Audit Committee for approval.

The performance objectives are as follows:

A. To complete engagements efficiently and effectively
B. To perform investigations efficiently and effectively
C. Address appropriate risk areas
D. Comply with auditing standards

To measure our progress toward these objectives, the department has established the set of indicators listed below. These metrics are reported to the Audit Committee periodically.

- Reported quarterly
    - Progress toward completion of audit plan, including the status of each planned engagement
    - Actual vs planned days to complete an engagement
    - Actual vs budgeted hours for each engagement
    - Audit time utilization rates, which is a ratio of time spent on engagement related activities to working hours
    - Completion of 40 hours of continuing professional education annually in approved topics

- Reported annually
    - Results of annual quality review

In addition to the established performance metrics, a post engagement survey will also be sent to management to gather feedback about the audit process and their audit experience. Results of these surveys will be used to identify issues and make performance improvements.

Policy Revision History

Revision Date	April 25, 2025	**Revision Approval**	TBD
Initial Date	October 25, 2024	**Initial Approval**	October 30, 2024

City of Clarksville
Internal Audit Manual

Policy Number	03	Review Cycle	Annual
Subject	Annual Risk Assessment and Audit Plan		

Purpose
To define the department's annual risk assessment and audit plan development process as required by Global Internal Audit Standards (the Standards). This policy demonstrates compliance with standards 9.1, 9.4, and 9.5.

Definitions
Risk assessment - The identification and analysis of risks relevant to the achievement of an organization's objectives. The significance of risks is typically assessed in terms of impact and likelihood.

Risk criteria - Categories under which risk will be scored for each audit area.

Policy
The Director will conduct a risk assessment at least annually, and develop an annual audit plan. The risk assessment will aid Internal Audit in allocating available resources to priorities that align with the City's objectives; however, other factors may also be considered in developing the final audit plan. The resulting risk based audit plan will be presented to the Audit Committee for review and approval.

The risk assessment process has been designed for simplicity and flexibility to allow alignment with changing risks. The process utilizes risk criteria and associated weights to determine whether audit areas in each department should be selected for audit in the upcoming year. The risk criteria, weighting, and audit areas are based on the professional judgment of the Director and may be modified from year to year. The risk assessment and audit plan will consider coverage of information technology governance, fraud risk, the effectiveness of the organization's compliance and ethics programs, and other high-risk areas.

The annual risk assessment will be documented, along with the associated audit plans for each fiscal year.

Procedure

Annual Risk Assessment

Gathering Information

The risk assessment and audit plan must be based on the department's comprehensive understanding of the City's governance, risk management, and control processes. The department collects information to be used in the annual risk assessment throughout the year. This occurs in a variety of ways, including:

- Standing meetings with various departments
- Attendance at council committee meetings
- From other audits or advisory engagements
- Annual internal control/risk assessment meetings with Finance and department management
- Other informal interactions with departments and senior management
- Audit Committee meetings

In addition to the sources listed above, the Director also solicits feedback from select members of City leadership and senior management. Specifically, the Director will ask the Mayor, Chief of Staff, CFO, IT Director, and City Attorney about areas of particular concern which may benefit from an audit or advisory engagement.

To complement the information sources listed above, information from outside sources is considered to identify emerging risks and other trends. Outside sources may include the Association of Local Government Auditors, the Institute of Internal Auditors, other continuing education focused on emerging risks, audit reports from other jurisdictions, and interactions with other local government internal audit departments.

Process

The formal annual risk assessment process begins with a review of the prior year's methodology to determine whether any updates are needed. The Director will review the audit universe for completeness, risk criteria considered in the prior year, and relative weights previously assigned to the risk criteria. Changes can be made to these at the Director's discretion. A summary of changes, along with finalized risk criteria definitions and weights will be documented within the risk assessment workbook.

The Director will use information gathered throughout the year to score the risk criteria for each audit area. The score for each risk criteria will be multiplied by the applicable weight. All weighted scores will then be totaled to arrive at a cumulative risk score.

Areas with the highest cumulative risk scores are typically selected for the audit plan, subject to constraints discussed below.

Audit Plan

Development

After the risk assessment is completed, the Director will prepare the annual audit plan. The audit plan should support the achievement of the City's objectives.

Available audit hours are calculated for each employee. This calculation considers days worked per year, along with time allotted for necessary administrative work. The available audit hours are then allocated among projects selected for inclusion in the audit plan.

While the audit plan normally includes projects with high cumulative risk scores, there are two other non-risk based engagements that may be included in an audit plan. These are the employee ethics survey and the senior management expense audit, which are described in the Non-Risk Based Engagement section of this policy.

The audit plan contains budgeted hours for specific projects. These include allotments for:

- Employee Ethics Survey
- Senior Management Expense (as appropriate)
- Possible advisory engagements that may arise during the year
- Hotline investigations
- Other technical assistance for departments
- Follow up or monitoring activities on prior audits
- Meeting attendance and completion of the annual risk assessment

In cases where audits have a known area or scope, these will be listed on the audit plan. However, it is permissible to list a general audit area on the plan, with the specific scope to be refined during the planning phase of the audit. In these instances, refining the scope during the engagement will allow us more flexibility to tailor the scheduled audits to current risks in the selected areas.

Knowledge, Skills, And Competencies Assessment

After a draft audit plan is compiled, the Director will assess whether the department has adequate knowledge, skills, and competencies to complete the planned engagements. Should a gap be identified, the Director will document how that gap will be addressed. Gaps may sometimes require additional training for staff, co-sourcing from another internal audit provider, or another resource. If gaps are unable to be sufficiently mitigated, this will be communicated to the Audit Committee and may result in declining the engagement.

Approval

If sufficient knowledge, skills, and competencies exist or any gaps can be appropriately addressed, the Director will present the draft audit plan and related resource requirements to the Audit Committee for approval.

Revisions

It is possible that the audit plan will need to be updated as the year progresses. This may be due to unforeseen challenges within audits, new priorities, or changing risks. Should a change in the audit plan be warranted, it will be presented to the Audit Committee for approval.

There may be instances where surprise audits are deemed necessary for successful completion of the Internal Audit Department's mission. These are not precluded by this policy, as long as they are properly communicated to and approved by the Audit Committee.

Non-Risk Based Engagements

Employee Ethics Survey

The department performs an annual ethics survey, which is intended to gauge the awareness of the City's Code of Ethics, quality of ethics training, compliance with various laws and City policies, and the participants' perception of the City's ethical environment. Questions may change from year to year and may be targeted at different aspects of ethics within the City. The survey is anonymous, and is sent to all employees, including the Mayor and the City Council.

The results of the survey are intended first and foremost to be used for risk assessment and audit planning purposes within the Internal Audit Department. As the information may be useful for management in making improvements to the ethical environment of the City, an informational report of the results will be provided to the Mayor, Chief of Staff, City Council, and released publicly. Where appropriate, the report will also contain recommendations for improving the City's ethics related processes.

Senior Management Expense

On August 20, 2008, the Audit Committee approved a policy to require an audit of senior management expenses on a bi-annual basis. This continues to be the policy of the Internal Audit Department.

For purposes of this audit, senior management is defined as the Mayor, the Chief of Staff, department heads, and council members. The audit shall include expenses of the Mayor and Chief of Staff (or the positions that approximate those positions). The included expenses will be those charged to the Mayor's budget as well as those that have been charged to other budgets on behalf of the Mayor or Chief of Staff. The expenses of other department heads and council members will be included in the audit on a judgmental basis.

Coordination and Reliance on the Work of Other Providers

The Director is required to coordinate with internal and external providers of assurance services and consider whether to rely upon their work. Coordination of services minimizes duplication of efforts, enhances coverage of key risks, and improves the value added by providers. If the work of other providers is relied upon, the Director will document the basis for reliance and retains responsibility for the conclusions reached by the internal audit function. If the Director cannot achieve an appropriate level of coordination, the Director will discuss this issue with senior management and the Audit Committee if necessary.

Policy Revision History

Revision Date	April 25, 2025	**Revision Approval**	TBD
Revision Date	January 30, 2025	**Revision Approval**	February 3, 2025

Initial Date	October 25, 2024	**Initial Approval**	October 30, 2024

City of Clarksville
Internal Audit Manual

Policy Number	05	Review Cycle	Annual
Subject	Performing Audit Services		

Purpose
This policy demonstrates compliance with Domain V of the Standards as well as standard 9.3.

Definitions
Methodologies - Policies, processes, and procedures established by the chief audit executive that guide the internal audit function and enhance its effectiveness.

Workpapers - Documentation of the internal audit work done when planning and performing engagements. The documentation provides supporting information for engagement findings and conclusions.

Policy
The Internal Audit Department will conduct audits in a systematic, disciplined, and consistent manner, in accordance with the Standards and department methodologies. Standard template workpapers will be used as a basic structure for all audits to ensure that work adheres to these requirements.

Procedure
Engagement Documentation

All information and evidence to support the audit results will be documented and retained for 10 years. The analysis, evaluations, and supporting information relevant should all be documented where a competent person could repeat the work and derive the same results.

In all phases of each audit, documentation will be reviewed for accuracy, relevance, and completeness ~~and approved by the Director~~. As each workpaper for the engagement is completed, it should be signed and dated by the auditor and assigned to the Director of Internal Audit (Director), or their designee, for review. For workpapers in Google formats, the Director should be assigned through a comment in the document. For other formats, the file should be shared to the Director from Google Drive.

Workpaper templates are used for consistency between audits and adherence to the Standards and policies. Workpapers as a whole should be a complete collection of information collected,

procedures completed, results, and a logical basis for each step. Each engagement may require different workpapers depending on the nature of the audit. Workpapers required for every audit are listed in the table below.

Workpaper Index	Workpaper Name
00	Audit Program
01-01	Planning Memo
01-01a	GRC Assessment
01-01b	Scope and Objective Development
01-03	Independence and Objectivity
01-04.1	Audit Start Email PDF
01-05.1	Engagement Memo Email PDF
03-02.1	Audit Report Draft
03-02.2	Reference Draft
03-04	Exit Meeting Notes
03-05	Management Response
03-06	Pre-Release Discussion
03-07	Communication to AC/Mayor
03-07.5	Final Communication
03-08	Final Report PDF
05-01	Engagement Level QA Checklist
07	Post Audit Continuous Improvement Meeting

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Audit Setup

At the onset of each engagement, the auditor will create an electronic folder on the Internal Audit shared drive to store workpapers associated with the engagement. The auditor will copy the standard workpaper templates into the engagement folder. Planning workpapers will be stored in the subfolder 01 Planning. Testing workpapers will be stored in the subfolder 02 Testing. Reporting workpapers will be stored in the subfolder 03 Reporting. Follow up

workpapers will be stored in the subfolder 04 Follow Up. The quality assurance workpapers will be stored in the subfolder 05 QA.

Engagement Resources

The types and quantities of resources required to meet the audit objectives will be determined with consideration of the audit's nature, complexity, and timeline. Internal Audit will strategize the most efficient and effective use of the available financial, human, and technological resources and will assess whether they are sufficient and appropriate for the audit. If there are resource limitations that impact the ability to meet audit objectives, the Director will be made aware of the issue and then discuss with senior management and the Audit Committee about the potential consequences and collaborate on an appropriate course of action.

Initial/Announcement Communication

Internal Audit should announce the audit to the appropriate management using the audit start notification. This announcement will give advance notice to management and relevant staff about the reasoning for the review and general topic of review. This will also be used to request information and/or documents needed to begin developing the work program and assessing risks. The auditor should prepare the audit start notifications by filling in audit specific fields highlighted on the templates in WP 01-04 .

There are two notification templates which need to be completed and sent:

1. To the department head of the area being audited
2. To the Mayor, Chief of Staff, CFO, City Attorney, and City Council.

The auditor should assign the document to the Director for review when completed. The Director will email the audit start notifications to the appropriate parties and include a copy of each to the Audit Committee. The auditor will save these emails and any responses as PDFs in the 01 Planning folder.

Independence and Objectivity Discussion

The Internal Audit Department will discuss any potential impairments to independence or objectivity during the audit kick off meeting. In addition to the discussion, each engagement team member will complete a page of WP 01-03 Independence and Objectivity. If any independence or objectivity issues arise during the audit, the team member should notify the Director immediately.

Entrance Meeting

An entrance meeting will be organized by either the auditor or Director with the management of the area under review. The auditor should have a general understanding of the area prior to this meeting to prepare a list of questions and discussion topics. Discussion topics for this meeting include an overview of the audit process, department objectives, management concerns, and established criteria for accomplishinged objectives. Frequency and preferences of communication will also be discussed for continuing the audit. After the meeting, the auditor will document the discussion as a planning workpaper (WP 01-06). ~~and documented as a workpaper. This meeting is for internal audit and the management of the activity under review.~~

~~Discussion topics for this meeting include an overview of the audit process, as well as specific questions related to the engagement. Frequency and preferences of communication will be discussed.~~

Ongoing Communication

Ongoing communication is required for transparency and helps identify and resolve any misunderstandings or differences. If there are any changes to the audit scope, objectives, or timing it will be promptly communicated to management.

Other ongoing communication includes:

- Updates about audit progress
- Any issues requiring immediate attention, such as a GRC issue
- Requests for any necessary information and resources to perform the audit

Planning Memo

The planning memo (WP 01-01) is one of two key planning documents. The goal of this workpaper is to gain an understanding of both the department and process under review and document all necessary planning considerations. The planning memo will be completed with information obtained from management during the entrance and other discussions, as well as research on the engagement topic. The table below lists each section of the planning memo and gives a brief description of what should be included. All relevant documentation related to the planning memo should be saved as supporting documentation in the planning memo support folder.

WP Section	Description
Department/Program Overview	This section should give a background of the department and program under review. It may include key personnel, important information about the process, history of the process, any important changes to the process, etc.
Department Objectives & Performance Management	This section should address the strategies and objectives of the department/activity under review, how those objectives align with the City's strategies and objectives, and how the department controls its performance. It should also discuss the department's identified risks, as well as how those risks are mitigated.
Applications/Systems Overview	This section should include information about any software that is used in the process under audit, as well as how it is used.
Self Identified Issues and/or Regulatory Issues	This section should include any potential issues identified by management regarding the process under review. These are likely to be described by management at the entrance

	meeting. This may also include any regulatory areas where management has concerns.
Prior Audit Results	In this section, the auditor will identify any prior audits or investigations of the area and review any issues identified during those audits/investigations. The auditor will review these to determine whether they may still be applicable to the current engagement.
Regulation Review	The auditor should identify any regulations that are applicable to the department and relevant to the process under review and list them here. These regulations should be saved in the supporting documentation folder and reviewed by the auditor to identify requirements that may be reviewed during the engagement.
Policy Review	This section should include any City or department level policies that are relevant to the topic at hand. As with the regulations identified above, the policies should be saved and reviewed by the auditor to determine applicable requirements related to the process.
Opportunities to Contribute	This section should describe areas where the Internal Audit Department has an opportunity to make significant improvements to governance, risk management, and control processes.
Engagement Objectives	The engagement team will develop appropriate engagement objectives which reflect the preliminary risk assessment performed on WP 00.
Engagement Scope	The engagement team will also establish the scope of the engagement, which must be sufficient to achieve the objectives of the engagement. The scope will include details such as the audit period, and consideration of relevant processes, systems, records, personnel, and physical properties. This section may also include any applicable scope exclusions. If the engagement team identifies any significant advisory engagement opportunities during an audit, any resulting advisory project will be performed in accordance with the department's advisory engagement policy.
Technology Based Audit Techniques	In this section, the engagement team will identify any areas where technology based audit techniques or other data

	analysis can be used to improve efficiency or effectiveness of the engagement. If there are areas where this would be useful, the team should also identify what tools will be used.

GRC Assessment

The GRC assessment (WP 01-01a) is a supporting workpaper to WP 01-01 Planning Memo. The auditor should use this workpaper to consider the adequacy and effectiveness of the governance, risk management, and control processes. It includes a summary of the condition of internal control based on the COSO framework.

Walkthroughs

The auditor may set up time to perform walkthroughs of the process under audit with the department. In the walkthrough, the auditor may observe in more detail how the process under audit works. It also provides time with personnel who perform the function for asking detailed questions. The walkthrough will be documented upon return by the auditor as WP 01-07. The walkthrough workpaper will also contain an evaluation of controls that are present in the process. Multiple walkthroughs can be performed for each engagement. Results of walkthroughs may be documented in a process flow chart also.

Risk Assessment

The risk assessment process aims to identify, prioritize, and manage risks associated with the activities under review, ensuring alignment with the City's strategies and risk tolerance. This is documented as the risk matrix and testing tabs ~~program~~ within the audit program (WP 00)~~workpaper 01-02~~. The risk assessment will be updated at various points throughout the audit. Internal Audit will gather detailed information and documentation necessary for a comprehensive understanding of the activity under review. This includes consideration of the items listed specifically in standard 13.2. Information can also be gathered by conducting interviews, surveys, and walkthroughs~~process observations~~ to understand current operational procedures.

Performing the Risk Assessment

Once an understanding is developed, auditors will identify risks that may keep the activity under review from meeting its objectives. Risks from the following categories should be considered:

- Fraud-related risks
- Strategic risks
- Operational risks
- Financial risks
- Compliance risks

Risks will be evaluated and prioritized based on their significance using impact and likelihood on a scale of 1-5. For each risk identified, the auditor will determine whether a control exists to mitigate that risk. Based on that information, the auditor should evaluate whether the control appears to be ~~is~~ appropriately designed. Considering any controls, the auditor will determine the residual likelihood and impact for each identified risk. Finally, the audit team will evaluate

the significance of identified risks and prioritize them for review. This evaluation assists auditors in designing procedures to test for operational effectiveness.

For engagements where relevant risks have been identified in a previous engagement, auditors are only required to review and update the previous engagement's risk assessment. This would be applicable in the senior management expense audit and the annual employee ethics survey.

Review and Updates

If risks relevant to the audit were previously identified, Internal Audit will review and update the risk assessment as necessary based on new information or changes to the operational environment. At the end of each engagement, the auditor should update the risk matrix based on test procedures conducted to indicate whether the control as designed was operating effectively.

Work/Audit Program (13.6)

Development and Documentation

The work program (WP 00) is a comprehensive program created to meet the audit objectives. This program is created from insights gained in the planning phase and the outcomes of the risk assessment. This is the roadmap for the audit and gives details of each step in the audit for replication. It will specify the evaluation criteria for each objective, outline the tasks required, identify the methodologies to be used, define the sample size, list the tools necessary for task execution, and assign the internal auditors responsible for each task. The work program should determine whether the controls in place are adequate to mitigate the inherent risks in the process.

Approval and Review

The work program must be reviewed and approved by the Director prior to implementation and whenever modifications are necessary.

Work Program Contents

Each work program should link identified risks and controls from the risk assessment to the testing approach planned, the audit findings, and conclusions. It should include details such as the name of the internal auditor responsible, the completion date of tasks, workpaper references, sample sizes, and records of task review and approval.

Information

All information gathered should be relevant to the audit objectives, fall within the defined scope, and contribute meaningfully to the development of audit findings and conclusions.

Information must be factual and current to be considered reliable. Reliability can be enhanced when the information is directly sourced by Internal Audit, corroborated, or obtained from a system with effective governance, risk, and compliance measures.

Collected information should be evaluated for adequate sufficiency and relevance to perform thorough analyses and evaluations. Information should be comprehensive enough that another

competent person could replicate the audit process, using the work program, and arrive at the same conclusions.

If evidence collected is not adequately sufficient, relevant, and reliable, auditors will determine whether to gather additional information. If additional analysis is required, the work program should be updated and approved by the Director. If relevant information is unattainable, Internal Audit will determine if it should be noted as a finding.

Engagement Findings/Observations

The information gathered should be used to identify and analyze potential audit findings. Analyses should be used to identify discrepancies between the established evaluation criteria and the current state (condition) of the activity under review.

Any differences are considered potential findings that require further evaluation. If initial analyses do not provide sufficient evidence to substantiate a potential finding, additional analyses should be considered. If additional analysis is required, the work program should be updated and approved by the Director.

If there are no significant differences found between the evaluation criteria and the current condition, the audit conclusion should emphasize satisfactory performance.

Engagement Objectives and Scope

Each audit should have clearly established and documented objectives and scope. Objectives and scope may be adjusted as required by the specifics of the audit engagement and will be approved by the Director. During planning, the Scope and Objective Development workpaper (WP 01-01b) should be used to curate discussions to decide these two items.

Engagement Objectives

Engagement objectives should clearly articulate the audit's purpose and outline specific goals to be met, including any required by law or regulation. Objectives should be in alignment with both the specific business objectives of the activity under review and the overarching objectives of the City.

Scope

Scope specifies the activities, locations, processes, systems, components, time period, and other elements to be reviewed, establishing clear boundaries and focus for the audit. The scope should be defined after establishing objectives, ensuring it is sufficiently broad to fulfill these objectives. Each engagement objective should be evaluated independently to ensure it is feasible within the defined scope. Stakeholder requests regarding inclusion or exclusion of certain items, or constraints on engagement duration, will be evaluated for a limitation to the scope.

Any limitations that arise should be discussed with management to seek a resolution. Unresolved issues will be escalated to the Audit Committee if necessary.

Engagement Memo

Once the engagement scope, ~~and~~ objectives, and proposed timing are finalized and approved by the Director, the auditor will send an engagement memo to the appropriate parties. The auditor should prepare the engagement memo (WP 01-05) by filling in specific fields highlighted on the template. This workpaper should then be assigned to the Director for review, who will then email the engagement memo to appropriate recipients (department head, Mayor, Chief of Staff, other department contacts).

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Evaluation Criteria

Identification and Assessment

The most relevant criteria should be determined for evaluating the aspects of the activity under review, as defined in the audit objectives and scope. Auditors must evaluate whether management has established adequate criteria to assess whether the activity has achieved its intended objectives and goals. If the criteria for the evaluation is deemed adequate then it should be used. If it is found to be inadequate~~lacking~~, the auditor must collaborate with management to define suitable criteria.

~~Work Program~~¶

~~Development and Documentation~~¶

~~The work program is a comprehensive program created to meet the audit objectives. This program is created from insights gained in the planning phase and the outcomes of the risk assessment. It will specify the evaluation criteria for each objective, outline the tasks required, identify the methodologies to be used, list the tools necessary for task execution, and assign the internal auditors responsible for each task.~~¶

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~~Approval and Review~~¶

~~The work program must be reviewed and approved by the Director prior to implementation and whenever modifications are necessary.~~ ¶

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~~Work Program Contents~~¶

~~Each work program should link identified risks and controls from the risk assessment to the testing approach planned, the audit findings, and conclusions. It should include details such as the name of the internal auditor responsible, the completion date of tasks, workpaper references, and records of task review and approval.~~

~~Analyses and Evaluations~~¶

~~Information~~¶

~~All information gathered should be relevant to the audit objectives, fall within the defined scope, and contribute meaningfully to the development of audit findings and conclusions.~~ ¶

¶

~~Information must be factual and current to be considered reliable. Reliability can be enhanced when the information is directly sourced by Internal Audit, corroborated, or obtained from a system with effective governance, risk, and compliance measures.~~ ¶

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~~Collected information should be sufficient enough to perform thorough analyses and evaluations. Information should be comprehensive enough that another competent person could replicate the audit process, using the work program, and arrive at the same conclusions.~~ ¶

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~~If relevant information is unattainable, this should be noted as a finding.~~ ¶

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~~Engagement Findings/Observations~~¶

~~The information gathered should be used to identify and analyze potential audit findings. Analyses should be used to identify discrepancies between the established evaluation criteria and the current state (condition) of the activity under review.~~ ¶

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~~Any differences are considered potential findings that require further evaluation. If initial analyses do not provide sufficient evidence to substantiate a potential finding, additional analyses should be considered.~~ ¶

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~~If there are no significant differences found between the evaluation criteria and the current condition, the audit conclusion should emphasize satisfactory performance.~~ ¶

Evaluation of Findings

Through planning and testing, the auditor will keep a list of possible observations and findings in WP 03-01. Each potential finding will be evaluated to determine its significance for prioritization, either high, medium, or low. This evaluation should be done by considering~~-~~ the likelihood and~~;~~ impact of the finding.~~, risk tolerance, and other important factors~~. Each finding should include a workpaper reference and a brief description of the issue identified. The Internal Audit staff will then meet to discuss the observations and categorize them into a limited number of observations of the report. The possible observations can be disposed of in 3 different ways: (1) verbally to management, (2) formally to management outside of the audit report, or (3) in the audit report. All material observations within the scope of the audit will be included in the audit report.

Findings should be written in plain language to clearly explain the difference between the criteria and the conditions observed. Evidence is needed to support the finding and justify its significance.

Internal Audit will collaborate with management to determine the root cause, potential effects, and the significance of the issue.

Any significant risks will be documented and communicated as a finding/observation. Internal Audit will determine whether to report other risks as findings based on circumstances.

Recommendations and Action Plans

Internal Audit will develop recommendations, request management action plans, and collaborate with management to agree on actions. Internal Audit recommendations must be discussed with the management of the activity under review.

The recommendations/actions plans should resolve the differences between the established criteria and the condition, mitigate the risks, address the root cause, and enhance or improve the activity under review.

A single finding can have multiple recommendations or corrective actions. Internal Audit should evaluate and discuss the feasibility and reasonableness of the recommendations/action plans.

If there are any disagreements with the recommendations or action plan, both parties should come to a resolution. It is ultimately management's responsibility to implement actions to address the findings.

Audit Report Draft

The auditor will prepare the first draft of the audit report in WP 03-02.1 and it should be marked DRAFT until the final report is ready to be released. The report template should be used to assist the auditor in addressing the applicable standards and enhance consistency among reports.

The report template consists of three main sections:

1. The background: Provides pertinent details of the process to enhance the reader's understanding of the subject matter
2. The audit objectives, scope, and methodology
3. The audit results: Contains observations and applicable conclusions related to audit objectives, as well as management action plans and comments.

The audit report template does not contain a section dedicated to an overall opinion, as the department does not typically provide an overall opinion on the process being audited. Should an audit result in no observations or findings, this satisfactory performance on the part of the department will be acknowledged in the audit report.

In writing the report, the auditor will need to condense the observations into high level summaries of the issues identified. Although condensed, the observations in the report should still contain the elements of a finding. The possible finding WP can be used as a guide. The writing in the report itself should be high quality and use proper grammar and sentence structure. The Director, as well as other Internal Audit staff members will review the report upon completion. The review process for reports is extensive and is meant to ensure the report is as accurate, objective, clear, concise, constructive, complete, and timely as possible.

Reference Draft

Once the report is completed, the auditor will also prepare a reference draft of the report in WP 03-02.2. A reference draft is a copy of the report on which the auditor traces the content of the report back to specific workpapers. The reference draft helps ensure that the report is properly supported by work performed. The Director will review the reference draft upon completion.

Engagement Conclusions

Internal Audit will develop an audit conclusion that summarizes the audit results relative to the objectives for the audit, as well as an overall~~the~~ risk rating (high, medium, low) based on the significance of the findings and professional judgement. Audit conclusions will include Internal Audit's judgment regarding the effectiveness of the governance, risk management, and/or control processes or the activity under review and acknowledgement of effective processes.

Closing Communication

The exit conference will be used to finalize the engagement results with appropriate parties before issuing a final communication. This meeting includes a discussion of all observations, recommendations, and verbal management comments. This is an opportunity to discuss any differences or disagreements about the audit results with a goal of reaching agreement.

The feasibility of the recommendations or management action plans should be discussed including weighing the costs. Management actions plans may not be fully developed for the exit conference, in this case management ideas and Internal Audit recommendations should be discussed and evaluated.

Management Response

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In accordance with City Code Section 6-616, management has 15 calendar days to provide action plans, with an extension to 22 calendar days if approved by the Director for good cause. Management action plans must include expected timing of implementation and the personnel responsible. Management action plans will be included in the final results communication.

Internal Audit will review management's response and related action plans to ensure they are sufficient to address the underlying issues noted in the engagement. Internal Audit will work with management to resolve any differences of opinion related to the action plans. If that is not possible, Internal Audit may publish the final communication with a rebuttal to management's response. Internal Audit is not required or otherwise obligated to change results based on disagreements with management.

Final Communication

The final communication is the last communication of an audit. It must be accurate, objective, clear, concise, constructive, complete, and timely.

The final communication should have a statement that the audit was conducted in conformance with the Global Internal Audit Standards, as required by City Code Section 6-610. If conformance was not achieved, then the final communication should disclose the reasons for nonconformance, specific standards not conformed with, and the impact of nonconformity.

If management has initiated or completed actions to address a finding before the final communication, the actions will be acknowledged in this communication.

This will be reviewed and distributed by the Director to all appropriate parties. Appropriate parties include those who can ensure that results are given due consideration.

The final communication should include:

- Title
- Background (brief synopsis of the activity under review)
- Recognition (positive aspects of the activity under review and/or appreciation of cooperation)
- Objectives
- Scope
- Recommendations/Action Plans
- Conclusions
- Findings with significance and prioritization
- Scope limitations with explanation, if applicable
- Personnel tasked with addressing findings
- Date recommendations/action plans should be implemented

Confirming the Implementation of Recommendations or Action Plans

Internal Audit must confirm that management has implemented the recommendation or action plans. Internal Audit should inquire about progress on the implementation, perform follow-up assessments using a risk-based approach, and update the status of management's action in the Internal Audit tracking document.

The significance of the findings will determine the extent of the follow up. If management has not completed agreed upon action plans by the estimated completion dates, they must provide a written update which includes an explanation of the delay. This will be documented in follow up workpapers. Results of follow up assessments will be communicated to appropriate parties, including the Audit Committee.

The Director will review applicable information to determine whether the department has accepted a risk exceeding a reasonable risk tolerance. If this is the case, the Director will discuss with the Mayor and/or Audit Committee.

Policy Revision History

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City of Clarksville
Internal Audit Manual

Policy Number	06	Review Cycle	Annual
Subject	Performing Advisory Services		

Purpose
To define the department's methodologies related to the performance of advisory engagements. This policy demonstrates compliance with Global Internal Audit Standards in Domain V: Performing Internal Audit Services, as well as standards 2.2, 3.1, 5.2, and 9.1.

Definitions
Client - the department or management team requesting the engagement.

Advisory Services - As defined by the Standards, services through which internal auditors provide advice to an organization's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of these services are subject to agreement with management. (Advisory services may also be known as consulting services.)

Policy
The Internal Audit Department will conduct advisory services in a systematic, disciplined, and consistent manner, in accordance with the Standards and department methodologies. Standard template workpapers will be used as a basic structure for all audits to ensure that work adheres to these requirements.

Advisory engagements shall be approved by the Audit Committee as part of the annual plan or as a special request developing during the fiscal year. Hours will be included in the annual audit plan for advisory engagements that might develop during the fiscal year. Engagements requiring less than 80 hours of time do not need the approval of the Audit Committee prior to commencement; however, the Audit Committee should be informed of this project at the next Audit Committee meeting. For special requests requiring 80 hours or more, the Director of Internal Audit will notify the Audit Committee about the request and suggest how the annual audit plan could be modified to accommodate the request. If the request is not of an urgent nature, the Director may recommend that it be included in the next audit plan.

Per City Code Section 6-612 Independence, "Internal auditors shall have no direct operational responsibility or authority over any of the activities they review. Additionally, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity that would normally be audited." This section limits the development, implementation of systems and procedures, and processing of transactions, but does not preclude the department from

providing guidance to management on operational improvements, management of risks, or other value added services as long as management agrees to ownership of the process described in the advisory engagement documentation.

At times, other departments may ask for Internal Audit's assistance outside of a formal advisory engagement. This is frequently in the form of questions related to various topics or part of a request for input from all City departments. In these situations, the scale of the request is typically small and management is not requesting a formalized advisory engagement; however, it is important to provide timely assistance to requesting departments, as Internal Audit's input may add value to City operations. Responses to these requests are generally in the form of possible items for further consideration by the requesting department. These requests are not considered advisory engagements which are governed by this policy.

Procedure

Advisory engagements allow the Internal Audit Department to add value and provide advice outside of the audit process, while allowing management to maintain responsibility for processes and internal controls. Examples of these services may include advising on the design and implementation of new policies, processes, and systems; providing forensic services; providing training; and facilitating discussions about risks and controls. Advisory engagements typically originate by request of the Mayor, CFO, or Department Heads. They may include or encompass the areas of governance, risk management, and internal control processes as agreed upon with management requesting the engagements. The department will follow the same retention guidelines as required for all audits, as well as other requirements in the Internal Audit reporting policy as they apply (5.2).

Initial Assessment

Each advisory engagement begins with a client meeting to gather more information about the requested engagement. At this initial meeting, topics of discussion should include:

- Management's expectations of the work to be performed and how results will be communicated
- Nature and timing of the engagement
- Management's objectives and goals related to the engagement, as well as any associated risks

After this meeting, the Department will meet internally to discuss independence and objectivity related to the proposed engagement. The Internal Audit Department, and specifically auditors, may provide advisory engagements relating to operations for which they previously had responsibility, with appropriate disclosure to the client (2.2). This should be limited based on the Director of Internal Audit's judgment. Any other potential impairments to independence or objectivity must also be disclosed to the party requesting the engagement prior to accepting the engagement (2.2).

At this time, the Director and engagement team will also perform an analysis to determine whether the engagement can be accepted. The Director must assess whether the department has the knowledge, skills, or other competencies needed to perform the engagement. If the

department does not possess the required skills and competence, the Director may decline or postpone the engagement, have the team or members of the team attend training to obtain the necessary skills, or obtain competent advice and assistance from a third party (3.1).

Other considerations in determining whether an engagement should be accepted include:

1. Potential impairments to independence
2. The complexity of work needed to achieve engagement objectives
3. The cost of the engagement in relation to potential benefits
4. Whether the engagement has potential to improve City operations
5. Resources necessary to perform the engagement (13.5)

Planning

If the engagement is accepted, the Department begins the planning phase and prepares a management agreement related to the engagement.

The objectives, scope, responsibilities, and deliverables of the project must be agreed upon with the engagement client and this agreement must be in writing for all engagements (Domain V Intro). The written agreement can be sent via email, given that~~provided~~ management provides a reply indicating their agreement. The agreement must include management's understanding and agreement that Internal Audit does not assume any ownership or responsibility for the process or policy included in the scope of the engagement (Domain V Intro).

Documentation for each of these engagements will vary based on the nature of the engagement; however, there are a limited number of workpapers that are required for each engagement, and for which templates are provided.

Performing the Engagement

Work programs must be documented for each engagement; however, this documentation may vary based on the nature and complexity of the engagement (13.6). The program must be sufficient to address the agreed upon objectives and must address the risks and controls consistent with the objectives (13.3). Due to the nature of advisory services, a formal, documented risk assessment and evaluation of criteria may not be necessary depending on the engagement (13.2, 13.4). Similarly, gathering evidence to develop findings may not be necessary depending on the management agreement (14.2).Throughout the engagement, auditors should be alert to any significant risks or control issues that are present. The auditor should keep the management team requesting the engagement and the Director of Internal Audit informed of the progress of the engagement (13.1). If auditors encounter any issues related to the scope of the engagement, they will notify the Director of Internal Audit. The department requesting the engagement and the audit team will then meet to determine if the engagement should continue. This may include a discussion of whether an audit of the area is more appropriate.

Reporting the Results of the Engagement

The Director of Internal Audit is responsible for communicating the results of the advisory engagement to the engagement client and to those in management identified for distribution of the report. The final communication must include the objectives, scope, recommendations

and/or action plans (if applicable), and conclusions (15.1). The conclusion must summarize the results relative to the engagement objectives and management objectives. The conclusion must also summarize the internal auditors' professional judgement about the overall significance of the findings (14.5). This should occur in the method specified in the management agreement.

If any issues are identified outside the scope of the engagement, these issues must be communicated to the management team. These issues can be reported in writing as part of the advisory engagement report, verbally, or written separately.

Advisory engagement reports will be distributed as agreed with management. The Audit Committee will always be included in report distributions and aware of the results of advisory engagements. Advisory engagement reports will not be posted to the City website, unless agreed upon by management in the written agreement at the beginning of the engagement. The Director will assess whether posting the results of the engagement will be beneficial for the City.

Prior to releasing any agreed upon deliverables, an engagement level quality assessment will be performed in accordance with the Department's Quality Assurance and Improvement Program Policy.

Monitoring Disposition of Results
Due to the nature of these services, the results are not monitored.

Post Engagement Risk and Future Audit Planning Considerations
Information obtained during advisory engagements, specifically those related to risk and risk management, should be incorporated into the evaluation of risk for the organization and the organization's management of risk. Information related to internal control functionality or lack of internal control within a process should be incorporated into the risk assessment process and considered for future audits (9.1 considerations).

Future consideration must also be given to potential impairments. The Internal Audit Department may provide assurance services where it had previously performed advisory services, provided the nature of the engagement did not impair objectivity of the department or individual auditors. The Director should take precautions to address any impairments including limiting the assurance engagement to those auditors not performing the advisory engagement and allowing for more than a year to pass between the advisory engagement and the assurance engagement (2.2).

Policy Revision History

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City of Clarksville
Internal Audit Manual

Policy Number	07	Review Cycle	Annual
Subject	Communication		

Purpose
To define the department's activities related to communication principles. This policy demonstrates compliance with standards 11.1, 11.2, 11.3, 11.4, 11.5, and 15.1.

Policy
The department strives to communicate effectively with its stakeholders. We recognize that effective communication is based on a variety of factors, including building relationships, establishing trust, and ensuring stakeholders and the City benefit from results of internal audit services. The Director will establish both formal and ongoing communications that enhance effectiveness.

Procedure
Building Relationships and Communicating with Stakeholders
The Director is responsible for developing a communication strategy that builds relationships and trust with stakeholders. This communication strategy includes both formal and informal communications, and involves various stakeholders. These communications are intended to contribute to mutual understanding of:

- Organizational interests and concerns
- City's process for establishing strategic objectives and making strategic and operational decisions
- Approaches for identifying and managing risks, as well as implementing appropriate controls and communicating risks throughout the organization
- Strategy for promoting an ethical culture
- Performance management and accountability
- Structure of management and operating functions
- Roles and responsibilities of relevant parties and opportunities for collaboration
- Relevant regulatory requirements
- Significant organizational processes, including financial reporting
- Coordination and communication among the board, internal and external providers of assurance services, and management

This mutual understanding contributes to the department's overall understanding of the City's governance, risk management, and control structure. This understanding is subsequently used in establishing the department's strategy and audit plan.

Engagement communications are a key part of this strategy, and are discussed in more detail in policy 05. Outside of engagement communications, we strive to communicate with stakeholders on a regular basis. The combination of all of these communications helps enhance our understanding of the City and its risks, processes, and requirements. This is accomplished in the following ways.

Audit Committee Meetings
Regularly scheduled Audit Committee meetings occur quarterly, and special sessions can be called when necessary. At all regularly scheduled meetings, the Director provides updates to the committee on the department's budget, progress on the audit plan and associated metrics, and updates on hotline reports. Each meeting also includes a non-public executive session (provided for in TCA 9-3-405), where the Director and audit staff can provide additional information to the committee about ongoing audits or investigations, etc. Management is not present in this portion of the meeting.

In addition to the department reports described above, the Director includes other topics on the agenda as appropriate. Depending on the meeting, topics may include:

- The presentation of financial and compliance audit results
- Policy updates
- Annual budget approval
- Discussion of standards and the department charter
- Approval of the audit plan
- Discussion of the department's quality assurance and improvement program results
- Discussion of new committee members
- Procurement for the City's financial and compliance audit

Other Committee Meetings
Auditors are assigned committee meetings to attend on a monthly basis. This gives other departments, council members, and senior management an opportunity to see and interact with auditors outside of an audit setting. Additionally, it helps keep up to date with things that are happening in each department, which is essential for comprehensive assessment of risks. These interactions help develop trust and relationships, which prove valuable during subsequent engagements for those departments.

Standing Meetings
The Director has regularly scheduled standing meetings with other departments. The frequency of these meetings is dependent upon the specific department. Topics in these meetings may cover a variety of topics, including current issues and risks facing the department. This provides an opportunity for the Director to keep up with departmental challenges and discuss their governance, risk management, and controls. This also provides a venue for the Director to offer potential advisory services that may be useful.

Strategy and Leadership Sessions

Strategy and leadership sessions are another communication pathway in which various members of the department participate. These typically involve senior management and leadership of all City departments. These are useful for both developing trust with other departments and understanding the City's strategy for providing services to citizens.

Feedback from Stakeholders

The department also solicits feedback from departments at the end of each engagement. This helps enhance internal audit processes and further develop trust and support with stakeholders.

Effective Communication

The department strives to ensure that all communications are accurate, objective, clear, concise, constructive, complete, and timely. These characteristics are defined in the table below.

Accurate	Free from errors and distortions, faithful to the underlying facts
Objective	Fair, impartial, and unbiased, the result of a fair-minded and balanced assessment of all relevant facts and circumstances
Clear	Easily understood and logical, avoiding unnecessary technical language, providing all significant and relevant information
Concise	To the point, avoid unnecessary elaboration, superfluous detail, redundancy, and wordiness
Constructive	Helpful to management and the organization, lead to improvements where needed
Complete	Lack nothing that is essential to the target audience, includes all significant and relevant information and observations to support recommendations and conclusions
Timely	Opportune and expedient, allow management to take appropriate corrective action

Similar to other standards, supervision and quality assurance methodologies help ensure that communication has these characteristics. These may include coaching or review by the Director or other staff members where appropriate. Formal engagement communications go through an extensive review process within the department prior to release to management or publicly.

Communicating Results

We communicate the results of each engagement in both formal and informal ways. We strive to communicate results to management throughout each engagement. This may include written and verbal communication methods across meetings, phone calls, and emails.

All formal engagement results are communicated to management and senior management, as well as the Audit Committee. Each formal results communications will include conclusions on the engagement, where appropriate. For audits, this includes conclusions on the specific audit objectives.

Themes across multiple engagements are communicated to senior management and the Audit Committee informally in meetings; however, reports are typically not issued to communicate these themes.

The department does not issue conclusions at the department or City level. This is not required or typically expected by senior management or City leaders.

Special Considerations

The Internal Audit Department recognizes that information in our audit reports has the potential to be miscommunicated, misinterpreted, and taken out of context by the public, media, and politicians to gain political advantage. In order to protect the independence of the Internal Audit Department and to ensure that information is accurately communicated during an election season, no final internal audit reports shall be issued on a City election day for the offices of Mayor, City Council, or City Judge, nor for a period of thirty days prior to the start of early voting through the day of the election. For other elections, report release may be restricted at the discretion of the Audit Committee by majority vote.

Audit reports are a public record; however, there are exceptions outlined in Tennessee Code Annotated that may require special treatment of reports. TCA Section 10-7-504 lists various types of information which are considered confidential. If there is a question about whether the information contained in an audit report is confidential, the Director should consult with the City Attorney to determine whether any portion of the report should be redacted prior to release. Outside of these circumstances, there are no limitations on the distribution and use of the results.

While audit reports are public records, the workpapers of local government internal audit activities are considered confidential and are not open to public inspection per TCA 10-7-504.

Errors and Omissions

In the event that errors or omissions are identified after the report is released, the Director must discuss the level of significance with the Audit Committee. If errors are determined to be significant, the Director must communicate corrected information to all parties who received the original communication. Since the audit report is a public record, this will involve working with the City's communications department to draft a press release to notify the public users of the report.

Communicating the Acceptance of Risks

In the event the Director concludes that management has accepted a level of risk that may be unacceptable to the City, the Director will bring the issue to the attention of senior management. If the matter is not resolved by senior management, the Director will elevate the issue through the City Council and Audit Committee. In accordance with this standard, it is not the Director's responsibility to resolve the risk.

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City of Clarksville
Internal Audit Manual

Policy Number	08	**Review Cycle**	Annual
Subject	Supervision		

Purpose
To define the activities required to adequately supervise all engagements performed within the Internal Audit Department, as well as activities to supervise and develop auditors. This policy demonstrates compliance with standard 12.3.

Policy
All engagements will be supervised to ensure that engagement objectives are achieved, engagements are performed to the department's quality standards, auditor development opportunities are identified and communicated, and that engagements are performed timely. Engagement supervision will occur throughout the engagement from planning through follow up/monitoring. The extent of supervision depends on the proficiency and experience of auditors, as well as the complexity of engagements.

Procedure
Due to the size of the Internal Audit Department, the Director will typically be the engagement supervisor; however, another sufficiently qualified and experienced auditor could act as the engagement supervisor at the Director's discretion. In these situations, the Director retains ultimate responsibility for proper supervision.

The engagement process within the Department is highly collaborative between the engagement team and the Director; therefore, engagement supervision occurs on an almost continual basis from the beginning phases of the engagement through completion and monitoring. The following steps outline how engagements are formally supervised through each engagement, but informal engagement supervision occurs each day in the form of department discussions and meetings.

During all phases of the engagement, the Director will be responsible for reviewing all workpapers (required and supporting) evidenced by a sign off and date. This review will be evidenced by comments and review notes made by the Director and their associated responses from the auditor. Review comments are preserved within engagement workpapers as resolved comments or in another form where necessary. Any comments that result from the Director's review will be addressed by the auditor when received.

In addition to the supervision requirements listed above, the Director must also approve the engagement work program that has been developed by the engagement team. When approving the work program, the Director will consider: (1) whether it is designed to achieve engagement objectives and (2) whether it will meet engagement performance standards established by internal policies and the Standards. If changes are made to the work program at any time during the engagement, those changes must be approved by the Director.

Prior to the release of the engagement results, an engagement level QA will be performed to ensure quality. After the engagement is completed, the Director will conduct a post audit continuous improvement meeting with the engagement team. This meeting will serve as a venue to not only discuss potential improvements to the engagement process, but also as a venue for discussions promoting staff development.

In addition to formal engagement supervision, the Director is responsible for supervising and developing auditors to enhance competencies and performance in accordance with standard 3.1.

Policy Revision History

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